

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re	)	Chapter 11
	)	
RADNOR HOLDINGS	)	Case No. 06-10894 (PJW)
CORPORATION, <i>et al.</i> ,	)	
	)	Jointly Administered
Debtors.	)	
<hr/>	)	
	)	
THE OFFICIAL COMMITTEE OF	)	
UNSECURED CREDITORS OF	)	
RADNOR HOLDINGS	)	Adversary Proceeding No. 06-50909
CORPORATION, <i>et al.</i> ,	)	
Plaintiffs,	)	
	)	
v.	)	
TENNENBAUM CAPITAL	)	
PARTNERS, LLC; SPECIAL	)	
VALUE EXPANSION FUND, LLC;	)	
SPECIAL VALUE OPPORTUNITIES	)	
FUND, LLC; AND JOSÉ E.	)	
FELICIANO,	)	
Defendants.	)	
	)	
	)	

**APPELLEES' COUNTER-DESIGNATION OF  
RECORD AND STATEMENT OF ISSUES ON APPEAL**

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, appellees Tennenbaum Capital Partners, LLC, Special Value Expansion Fund, LLC, Special Value Opportunities, LLC and Jose E. Feliciano (“Appellees”) hereby designate the following additional items to be included in the Record on Appeal (as defined and listed in The Official Committee of Unsecured Creditors of Radnor Holdings Corp.’s (“Appellants”) *Statement of Issues on Appeal and Designation of Items to be Included in the Record With Respect to Appeal*

*of Judgment, Findings of Fact and Conclusions of law and Amended Findings of Fact and Conclusions of Law* (the "Designation of Record")), and submits the following statement of additional issues on appeal from the Amended Finding of Fact and Conclusions of Law ("Findings") (D.I. 41) and the Judgment (D.I. 38) of the United States Bankruptcy Court for the District of Delaware (the "Court").

### **COUNTER DESIGNATION OF RECORD**

In addition to the items designated by Appellants in the Designation of Record, Appellees designate the following items to be included in the Record on Appeal:

**From Docket 06-10894 (PJW):**

<b>Appeal Record No.</b>	<b>Bankruptcy Case Docket 06-10894</b>	<b>Filing Date</b>	<b>Document Text</b>
48	3	08/21/2006	Declaration of Paul D. Ridder, Vice-President, Chief Financial Officer and Assistant Secretary of Radnor Holdings Corporation, In Support of Chapter 11 Petitions and First Day Pleadings
49	20	08/21/2006	Motion to Approve Debtor In Possession Financing Filed by Radnor Holdings Corporation
50	27	08/22/2006	Declaration in Support of Debtors' Motion for Order (1) Authorizing Debtor-in-Possession Financing Agreement and use of Secured Lenders' Collateral, and (2) Providing Adequate Protection to Secured lenders by Jose E. Feliciano (plus Exhibits Volume I of III)
51	28	08/22/2006	Appendix of Exhibits in Support of Declaration of Jose E. Feliciano in Connection with Debtors' Motion for Order (1) Authorizing Debtor-in-Possession Financing Agreement and Use of Secured Lenders' Collateral, and (2) Providing Adequate Protection to Secured Lenders (Volume II of III)
52	29	08/22/2006	Appendix of Exhibits in Support of Declaration of Jose E. Feliciano in Connection with Debtors' Motion for Order (1) Authorizing Debtor-in-Possession Financing Agreement and use of Secured lenders' Collateral, and (2) Providing Adequate Protection to Secured Lenders (Volume III of III)

Appeal Record No.	Bankruptcy Case Docket 06-10894	Filing Date	Document Text
53	53	08/23/2006	Order (Amended) (I) Authorizing Debtors (A) To Obtain Postpetition Financing and (B) To Utilize Cash Collateral; (II) Granting Liens, Security Interests and Superpriority Claims; (III) Granting Adequate Protection to Prepetition Secured Parties; and (IV) Scheduling a Final Hearing
54	125	08/31/2006	Notice of Appearance and Request for Service of Papers of Greenberg Traurig, LLP Filed by Official Committee of Unsecured Creditors
55	148	09/12/2006	Notice of Deposition Filed by Official Committee of Unsecured Creditors
56	149	09/12/2006	Notice of Service of Discovery Filed by Official Committee of Unsecured Creditors
57	150	09/12/2006	Emergency Motion to Continue Hearing On (September 18, 2006 Hearing): (1) Debtors' Motion For An Order (A) Establishing Bidding Procedures Relating to the Sale Of The Debtors' Assets, (B) Scheduling A Hearing To Consider The Proposed Sale And Approving The Form And Manner Of Notice Thereof, (C) Establishing Procedures Relating To The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases, Including Notice of Proposed Cure Amounts, (D) Approving Bid Protections, And (E) Granting Certain Related Relief; And (2) 361, 362, 363, 364 And Federal Rule Of Bankruptcy Procedure 40001, Authorizing Debtors To Obtain Post-Petition Financing And To Utilize Cash Collateral, Granting Adequate Protection to Pre-Petition Lenders, and Seeking Other Relief Filed by Official Committee of Unsecured Creditors
58	156	09/12/2006	Notice of Filing of Proofs of Claim by Tennenbaum Capital Partners, LLC
59	172	09/13/2006	Objection to Debtors' Motion for Order, Pursuant to 11 U.S.C. Sections 105, 361, 362, 364 and Federal Rule of Bankr. Procedure 4001; (I) Authorizing Debtors (A) to Obtain Post-Petition Financing and (B) to Utilize Cash Collateral; (II) Granting Adequate Protection to Pre-Petition Secured Parties, and (III) Scheduling Interim and Final Hearings Filed by official Committee of Unsecured Creditors

<b>Appeal Record No.</b>	<b>Bankruptcy Case Docket 06-10894</b>	<b>Filing Date</b>	<b>Document Text</b>
60	176	09/13/2006	Objection to Motion of Official Committee of Unsecured Creditors to Continue Hearing on Bidding Procedures Motion and Financing Motion
61	177	09/13/2006	Objection to Emergency Motion Of The Official Committee Of unsecured Creditors For Continuance Of September 18, 2006 Hearing On: (1) Debtors' Motion For An Order (A) Establishing Bidding Procedures Relating To The Sale Of The Debtors' Assets, (B) Scheduling A Hearing To Consider The Proposed Sale And Approving The Form And Manner Of Notice thereof, (C) Establishing Procedures Relating to The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases, Including Notice Of Proposed Cure Amounts, (D) Approving Bid Protections, And (E) Granting Certain Related Relief And (2) Debtors' Motion For Order, Pursuant To 11 U.S.C. Sections 105, 361, 362, 363, 364 And Federal Rule Of Bankruptcy Procedure 5001, Authorizing Debtors to Obtain Post-Petition Financing And To Utilize Cash Collateral, Granting Adequate Protection To Pre-Petition Lenders, And Seeking Other Relief
62	180	09/14/2006	Brief Reply of Tennenbaum Lenders to Creditors Committee Objection to Final DIP Financing Order
63	204	09/15/2006	Notice of Deposition (Amended) to be held in the Office of Greenberg Traurig, LLP for September 18, 2006 through September 21, 2006 Filed by Official Committee of Unsecured Creditors
64	226	09/19/2006	Transcript of Hearing Held on September 14, 2006
65	278	09/22/2006	Order (Final) (I) Authorizing Debtors (A) To Obtain Postpetition Financing And (B) To Utilize Cash Collateral And (II) Granting Liens, Security Interests and Superpriority Claims; (III) Granting Adequate Protection To Prepetition Secured Parties
66	317	09/29/2006	Motion to Compel Production of Redacted Document and for Entry of Order Setting Discovery Schedule Filed by Official Committee of Unsecured Creditors
67	337	10/04/2006	Notice of Service of Discovery re: Second Request for the Production of Documents to Tennenbaum Filed by Official Committee of Unsecured Creditors

<b>Appeal Record No.</b>	<b>Bankruptcy Case Docket 06-10894</b>	<b>Filing Date</b>	<b>Document Text</b>
68	350	10/05/2006	Notice of Deposition of Jose Feliciano and Howard Levkowitz Filed by Official Committee of Unsecured Creditors
69	354	10/06/2006	Notice of Deposition of Sean Berry and Robert DiPaolo Filed by Official Committee of Unsecured Creditors
70	355	10/06/2006	Notice of Deposition of Prashant Mehrotra Filed by Official Committee of Unsecured Creditors
71	357	10/06/2006	Notice of Service of Subpoenas Filed by Official Committee of Unsecured Creditors
72	377	10/12/2006	Notice of Deposition of Paul Finigan, Paul Ridder, Michael Kennedy, Tom Hopkins, Mike Valenza, Ann Kelley, Radford Hastings and Stan Springle Filed by Official Committee of Unsecured Creditors
73	385	10/13/2006	Scheduling Order With Respect to Committee's Objections to Tennenbaum Claims
74	395	10/16/2006	Objection to Motion of Creditors Committee to Modify Bid Procedures Order
75	404	10/17/2006	Objection to (I) Motion of the Official Committee of Unsecured Creditors to Modify Bid Procedures and (II) Motion for Expedited Consideration Thereof
76	415	10/17/2006	Notice of Withdrawal of Motion to Modify Bid Procedures Filed by Official Committee of Unsecured Creditors
77	417	10/18/2006	Notice of Depositions of Sean Berry and Robert DiPaolo filed by Official Committee of Unsecured Creditors
78	452	10/23/2006	Application to Employ Edward B. Rock as Litigation Consultant for the Committee, Nunc Pro Tunc to October 3, 2006 Filed by Official Committee of Unsecured Creditors
79	456	10/23/2006	Application to Employ Mesirow Financial Consulting, LLC as Litigation Consultant to the Committee, Nunc Pro Tunc to October 4, 2006 Filed by Official Committee of Unsecured Creditors
80	471	10/25/2006	Memorandum of Law of Tennenbaum Capital Partners, LLC, Special Value Opportunities Fund, LLC and Special Value Expansion Fund, LLC in Support of Their Proof of Claim

<b>Appeal Record No.</b>	<b>Bankruptcy Case Docket 06-10894</b>	<b>Filing Date</b>	<b>Document Text</b>
81	472	10/25/2006	Memorandum of Law of Tennenbaum Capital Partners, LLC, Special Value Opportunities Fund, LLC and Special Value Expansion Fund, LLC Establishing that Their Secured Claims Cannot be Recharacterized or Equitably Subordinated
82	473	10/25/2006	Memorandum of Law of Tennenbaum Capital Partners, LLC Special Value Opportunities Fund, LLC and Special Value Expansion Fund, LLC Establishing that Their Secured Claims Cannot be Recharacterized or Equitably Subordinated
83	479	10/25/2006	Exhibits in Support of the TCP Lenders' Memorandum of Law in Support of Their Proof of Claim
84	480	10/25/2006	Appendix of Exhibits, Deposition Excerpts and Authorities in Support of Memorandum of Law of the TCP Lenders Establishing that their Secured Claims Cannot be Recharacterized or Equitably Subordinated
85	488	10/26/2006	Transcript of Hearing held on September 20, 2006
86	508	10/30/2006	Expert Report of Edward B. Rock [Dated October 27, 2006] Filed by Official Committee of Unsecured Creditors
87	509	10/30/2006	Expert Report of Edward B. Rock [Dated October 30, 2006] Filed by Official Committee of Unsecured Creditors
88	535	10/31/2006	Appendix Witness List for Trial Commencing November 2, 2006 Filed by Official Committee of Unsecured Creditors
89	543	11/01/2006	Joint Exhibit List for Trial Beginning November 2, 2006
90	558	11/01/2006	Emergency Motion to Join Adversary Proceeding or, in the Alternative, to Intervene as of Right Filed by Radnor Holdings Corporation
91	640	11/15/2006	Emergency Motion to Allow a Limited Extension of the Bid, Auction, and Sale Deadlines as Contained in the Bid Procedures Order to Facilitate a Higher and Better Bid
92	644	11/16/2006	Objection to Creditors Committee: (1) Emergency Motion for Continuance of Bid Deadline, Auction, Sale Hearing, and Ruling on Complaint; and (2) Motion for Expedited Hearing

<b>Appeal Record No.</b>	<b>Bankruptcy Case Docket 06-10894</b>	<b>Filing Date</b>	<b>Document Text</b>
93	670	11/20/2006	Emergency Motion For Stay Pending Appeal and Correspondingly for Extension of the Bid, Auction and Sale Deadlines as Contained n the Bid Procedures Order
94	688	11/21/2006	Order Denying Emergency Motion To Say Pending Appeal and Correspondingly for Extension of the Bid, Auction and Sale Deadlines as Contained in the Bid Procedures Order
95	698	11/21/2006	Order (WITH REVISIONS) (1) Approving Sale of Substantially all of Debtors' Assets Freed and Clear of all Liens, Claims, Interests and Encumbrances; (2) Approving Assumption and Assignment of Certain Contracts and Leases; and (3) Granting Related Relief
96	731	12/01/2006	Notice of Appeal of Order Approving Sale of Substantially All of Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances
97	737	12/04/2006	Transcript of Hearing held on November 21, 2006

**From Docket 06-50909 (PJW):**

<b>Appeal Record No.</b>	<b>Adversary Proceeding Docket 06-50909</b>	<b>Filing Date</b>	<b>Document Text</b>
98	4	10/31/2006	Notice of Agenda of Matters Scheduled for Trial
99	5	10/31/2006	Witness List for Trial Commencing November 2, 2006
100	6	11/01/2006	Notice of Hearing on Motion to Strike Allegations and Causes of Action from the Official Committee of Unsecured Creditor's Complaint
101	9	11/01/2006	Debtors' Emergency Motion to Join Adversary Proceeding or, in the Alternative, to Intervene as of Right
102	11	11/01/2006	Objection and Response to Subpoena Duces Tecum Issued by Defendant Tennenbaum Capital Partners LLC



Appeal Record No.	Adversary Proceeding Docket 06-50909	Filing Date	Document Text
103	12	11/02/2006	Objections and Response of Houlihan, Lokey, Howard and Zukin, Inc. to the Official Committee of Unsecured Creditors' Subpoena in a Case Under the Bankruptcy Code
104	14	11/05/2006	Motion to Strike report of Stephen B. Darr and Preclude his Trial Testimony or, in the Alternative, to Compel the Production of Documents from Mesirow Financial Consulting
105	21	11/10/2006	Motion to Preclude the Testimony of Mark Shapiro
106	22	11/10/2006	Debtors' Response in Support of Committee's Motion to Preclude the Testimony of Mark Shapiro
107	23	11/13/2006	Defendants' Statement Concerning Plaintiffs' Pleading a Core Proceeding
108	28	11/15/2006	Response to Defendants' Statement Concerning Plaintiffs' Pleading a Core Proceeding
109	44	11/20/2006	Emergency Motion for Stay Pending Appeal and Correspondingly for Extension of the Bid, Auction and Sale Deadlines as Contained in the Bid Procedures Order
110	46	11/20/2006	Court's Corrections to Docket #41
111	47	11/21/2006	Objection to Emergency Motion of the Official Committee of Unsecured Creditors for a Stay Pending Appeal and Correspondingly for Extension of the Bid, Auction and Sale Deadlines as Contained in the Bid Procedures Order

In accordance with Bankruptcy Rule 8006 and Local Rule 8006-1, Appellees have provided copies of the items designated herein to the Clerk of the Court.

WHEREFORE, Appellee respectfully requests that the Clerk of the Court transmit the Record on Appeal to the Clerk of the United States District Court for the District of Delaware pursuant to Bankruptcy Rule 8007.

#### **STATEMENT OF ADDITIONAL ISSUES ON APPEAL**

1. Whether Counts I-IV and XIII are moot and/or equitably moot as a result of the occurrence of the sale of the Debtors' assets pursuant to 11 U.S.C. § 363, at which an



affiliate of the Appellees was declared the winning bidder after it credit bid the very claims that Appellant, by its appeal, continues to seek to disallow, recharacterize or subordinate.

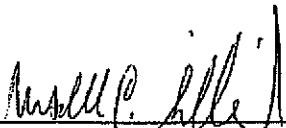
2. Whether all Counts of the Complaint have been released as a result of the Bankruptcy Court's November 21, 2006 order approving the asset purchase agreement by and between the Debtors and Appellees' affiliates, which asset purchase agreement contained a release of all claims against the Defendants.

3. Whether any of the issues listed by the Appellants in their statement of issues on appeal have any merit.

4. Whether the Bankruptcy Court's 44 page Findings, based on its approximately 150 pages of handwritten notes after a nearly two-week trial, was an abuse of discretion.

5. Whether any of Appellant's attacks on holdings that, on their face, are holdings in the alternative somehow support reversal.

Dated: December 8, 2006  
Wilmington, Delaware

  
\_\_\_\_\_  
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Attorneys for Appellees Tennenbaum Capital Partners,  
LLC, Special Value Opportunities Fund, L.P., Special  
Value Expansion Fund, L.P. and Jose E. Feliciano

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
RADNOR HOLDINGS CORPORATION, <i>et al.</i> ,	)	Case No. 06-10894 (PJW)
	)	
Debtors.	)	Jointly Administered
	)	
<hr/>		
	)	
THE OFFICIAL COMMITTEE OF	)	
UNSECURED CREDITORS OF RADNOR	)	
HOLDINGS CORPORATION, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	Adv. Proc. No. 06-50909 (PJW)
	)	
TENNENBAUM CAPITAL PARTNERS, LLC;	)	
SPECIAL VALUE EXPANSION FUND, LLC;	)	
and SPECIAL VALUE OPPORTUNITIES FUND,	)	
LLC;	)	
	)	
Defendants.	)	

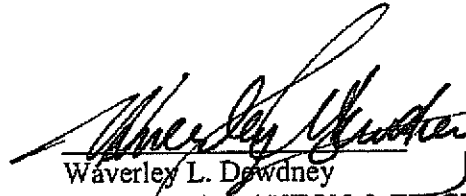
**AFFIDAVIT OF SERVICE**

STATE OF DELAWARE :  
: SS.  
NEW CASTLE COUNTY :


Waverley L. Dewdney, being duly sworn according to law, deposes and says that  
she is employed as a Legal Assistant for the law firm of Richards, Layton & Finger, P.A., and

that on the 8<sup>th</sup> day of December, 2006 she caused a copy of the following to be served on the attached list as indicated:

**APPELLEES' COUNTER-DESIGNATION OF  
RECORD AND STATEMENT OF ISSUES ON APPEAL**

  
Waverley L. Dawdney  
RICHARDS, LAYTON & FINGER, P.A.  
One Rodney Square  
P.O. Box 551  
Wilmington, DE 19899  
(302) 651-7700

Sworn to and subscribed before me this 8<sup>th</sup> day of December, 2006.

  
Notary Public

ANN JEROMINSKI  
Notary Public - State of Delaware  
My Comm. Expires Feb. 14, 2008

**SERVICE LIST**

**Via Hand Delivery**

The Honorable Peter J. Walsh  
United States Bankruptcy Court  
District of Delaware  
**Attention: Chambers**  
824 North Market Street, 6<sup>th</sup> Floor  
Wilmington, DE 19801

**Via Hand Delivery**

United States Trustee  
844 King Street, Room 2207  
Lockbox #35  
Wilmington, DE 19899-0035

**Via Hand Delivery**

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**Via First Class Mail**

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**Via Hand Delivery**

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